LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Conservation Auditorium, 1st Floor, State Land & Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY**, **JANUARY 8**, **2002**, upon the application of **PETRO-CHEM OPERATING CO.**, **INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **Hosston Formation**, **Reservoir A and the Cotton Valley Zone**, **Reservoir A**, in the Swan Lake Field, Bossier and Caddo Parishes, Louisiana.

FOR THE HOSSTON FORMATION, RESERVOIR A

1. To establish ten (10) acre drilling and production units for the exploration for and production of gas and condensate for the Hosston Formation, Reservoir A, such units being designated HOSS RA SUA thru HOSS RA SUJ, shown on the plat submitted with the application.

FOR THE COTTON VALLEY ZONE, RESERVOIR A

1. To establish ten (10) acre drilling and production units for the exploration for and production of gas and condensate for the Cotton Valley Zone, Reservoir A, such units being designated CV RA SUA thru CV RA SUJ, shown on the plat submitted with the application.

FOR BOTH, THE HOSSTON FORMATION, RESERVOIR A AND THE COTTON VALLEY ZONE, RESERVOIR A

- 1. To force pool and integrate all separately owned tracts, mineral leases and other property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage basis of participation.
- 2. To designate a unit operator and unit well where applicable.
- 3. To provide for future wells drilled to the Hosston Formation, Reservoir A and the Cotton Valley Zone, Reservoir A, to be located a least 1,000 feet from unit lines and 2,000 feet between wells.
- 4. To provide for a reclassification of each reservoir by the Commissioner of Conservation by Supplemental Order, without the necessity of a public hearing, if the producing characteristics of the reservoir should change and evidence to justify such reclassification is submitted and accepted by the Commissioner of Conservation.
- 5. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, in the Swan Lake Field, Bossier and Caddo Parishes, Louisiana, is to be defined as that gas and condensate bearing interval encountered between the depths of 6,270' and 8,710' (ELM) in the Petro-Chem Operating Co., Inc. - Lott 14 No. 1 Well, located in Section 14, Township 15 North, Range 11 West.

- 1 - Page 2

SWAN LAKE FIELD 02-1 and 02-2

The Cotton Valley Zone, Reservoir A, in the Swan Lake Field, Bossier and Caddo Parishes, Louisiana, is to be defined as that gas and condensate bearing interval encountered between the depths of 9,000' and 9,800' (ELM) in the Petro-Chem Operating Co., Inc. - Lott 14 No. 1 Well, located in Section 14, Township 15 North, Range 11 West.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

PHILIP N. ASPRODITES COMMISSIONER OF CONSERVATION

Baton Rouge, La 11/29/01;12/4/01 S dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE CONTACT <u>DEPARTMENT OF NATURAL RESOURCES</u>, <u>PERSONNEL SECTION</u> AT P.O. BOX 94396, BATON ROUGE, LA 70804-9396 IN WRITING OR BY TELEPHONE (225) 342-2134 BETWEEN THE HOURS OF 8:00 A.M. AND 4:30 P.M., MONDAY THRU FRIDAY WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.